

ORIGINAL

OPEN MEETING

MEMORANDUM



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TO: THE COMMISSION

FROM: Utilities Division


DATE: March 16, 2010

RE: ARIZONA PUBLIC SERVICE COMPANY - APPLICATION FOR
AUTHORIZATION TO SELL PATENT RIGHTS AND RELATED
INTELLECTUAL PROPERTY RIGHTS (DOCKET NO. E-01345A-09-0357)

On July 14, 2009, Arizona Public Service Company ("APS") filed an application for authorization to sell patent rights and related intellectual property rights. APS has developed two types of tracking systems and has patented the tracking system technologies. APS seeks authorization to sell the patent rights to an unaffiliated third party with a significant domestic and international presence with the ability to market this technological development.

APS is engaged in providing electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission. In 1985, APS began operation of the APS Star Center. The APS Star Center is an innovation center and solar plant where APS works with manufactures, universities and government laboratories to develop and test emerging technologies that are applicable to APS' business.

APS has executed a purchase agreement for the Patent Rights with Unirac, Inc. ("Unirac"). APS retains for itself, a broad license to use the Patent Rights for the benefit of its customers but will not sell or market any products related to solar tracking for three years. Staff believes it is not necessary to determine jurisdiction regarding the patent rights and intellectual property rights of APS at this time in order to proceed with affording APS the authorization to sell such rights. Staff recommends that the Commission specify in its Order that the future ratemaking treatment of this transaction should be determined in future rate cases as appropriate. Staff believes that the approval of the authorization to sell patent rights and related intellectual property rights is reasonable and is in the public interest.


Steven M. Olea
Director
Utilities Division

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ORIGINATOR: Kiana Sears

Arizona Corporation Commission
DOCKETED

MAR 16 2010

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ARIZONA CORPORATION COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

IN THE MATTER OF ARIZONA PUBLIC
SERVICE COMPANY APPLICATION FOR
AUTHORIZATION TO SELL PATENT
RIGHTS AND RELATED INTELLECTUAL
PROPERTY RIGHTS

DOCKET NO. E-01345A-09-0357

DECISION NO. _____

ORDER

Open Meeting
March 31 and April 1, 2010
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Arizona Public Service Company ("APS") is engaged in providing electric service within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission"). In 1985, APS began operation of the APS Star Center. The APS Star Center is an innovation center and solar plant where APS works with manufactures, universities and government laboratories to develop and test emerging technologies that are applicable to APS' business.
2. On July 14, 2009, APS filed an Application for authorization to sell patent rights and related intellectual property rights. APS has developed two types of tracking systems and has patented the tracking system technologies. APS seeks authorization to sell the patent rights to an unaffiliated third party with a significant domestic and international presence with the ability to market this technological development.
- ...

1 3. APS has executed a purchase agreement for the Patent Rights with Unirac, Inc.
2 ("Unirac"). APS retains for itself a broad license to use the Patent Rights for the benefit of its
3 customers but will not sell or market any products related to solar tracking for three years.

4 5. Staff believes it is not necessary to determine jurisdiction regarding the patent rights
5 and intellectual property rights of APS at this time in order to proceed with affording APS the
6 authorization to sell such rights.

7 6. Staff recommends that the Commission authorize APS to proceed with the sale of
8 the patent rights and related intellectual property rights described in its Application.

9 7. Staff recommends, however that the Commission specify in its Order that the future
10 ratemaking treatment of this transaction should be determined in future rate cases as appropriate.

11 CONCLUSIONS OF LAW

12 1. Arizona Public Service Company is a public service corporation within the meaning
13 of Article XV, Section 2, of the Arizona Constitution.

14 2. The Commission has jurisdiction over APS.

15 3. The Commission, having reviewed the Application and Staff's Memorandum dated
16 March 16, 2010, concludes that it is in the public interest to approve APS' request for
17 authorization to sell patent rights and related intellectual property rights as described in the
18 Application.

19 ORDER

20 IT IS THEREFORE ORDERED that the Authorization for Arizona Public Service
21 Company to sell patent rights and related intellectual property rights as described in its Application
22 are hereby approved as discussed herein.

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1 IT IS FURTHER ORDERED that the future ratemaking treatment of this transaction
2 should be determined in future Arizona Public Service Company rate cases as appropriate.

3 IT IS FURTHER ORDERED that this Order shall become effective immediately.

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5 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**
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7 _____
8 CHAIRMAN

COMMISSIONER

9
10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
12 Executive Director of the Arizona Corporation Commission,
13 have hereunto, set my hand and caused the official seal of this
14 Commission to be affixed at the Capitol, in the City of Phoenix,
15 this _____ day of _____, 2010.

16 _____
17 ERNEST G. JOHNSON
18 EXECUTIVE DIRECTOR

19 DISSENT: _____

20 DISSENT: _____

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1 SERVICE LIST FOR: Arizona Public Service Company
2 DOCKET NO. E-01345A-09-0357

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